



ARIZONA STATE SENATE
Fifty-Second Legislature, Second Regular Session

FACT SHEET FOR H.B. 2592

nonprofit corporations; electronic voting

Purpose

Allows a non-profit corporation to conduct a written ballot through an online voting system.

Background

Pursuant to A.R.S. § 10-3708, non-profit corporations may use a written ballot to conduct a vote for actions that could be taken at any annual, regular or special meeting of members. The written ballot must be delivered to every member entitled to vote on the matter. A written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot is valid only if the number of votes equals or exceeds the quorum required to be present for authorization of the action at a meeting and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting. All solicitations for votes by written ballot must indicate the threshold needed to meet the quorum requirements, state the percentage of approval necessary to approve each matter, other than election of directors, and specify the submission deadline. Voters must have at least three days from the date the ballot is delivered to return the ballot.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Allows a non-profit corporation to conduct a written ballot through an online voting system that:
 - a) verifies the member's identity;
 - b) authenticates the validity of each electronic vote to ensure that the vote is not altered in transit;
 - c) transmits a receipt to each member who casts an electronic vote; and
 - d) stores electronic votes for recount, inspection and review.
2. Requires notice of an online voting system for written ballots to include a reasonable procedure by which a member may obtain and cast a ballot through another form of delivery, including U.S. mail and fax transmission.
3. Makes technical changes.

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4. Becomes effective on the general effective date.

House Action

BFS	2/16/16	DP	8-0-0-0
3 rd Read	3/03/16	DPA	55-2-3-0

Prepared by Senate Research

March 10, 2016

GH/LB/rf